

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE ENROLLED ACT No. 1096

AN ACT to amend the Indiana Code concerning education finance.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-1.1-17-5, AS AMENDED BY P.L.96-2000, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

- (1) The fiscal body of a consolidated city and county, not later than the last meeting of the fiscal body in September.
- (2) The fiscal body of a second class city, not later than September 30.
- (3) **The board of school trustees of a school corporation that is located in a city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000), not later than the time required in section 5.6 of this chapter.**
- (4) The proper officers of all other political subdivisions, not later than September 20.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at



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any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

- (1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;
- (2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and
- (3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

SECTION 2. IC 6-1.1-17-5.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 5.6. (a) This section applies only to a school corporation that is located in a city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000).**

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers.

(c) Each year, at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

- (1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;**



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- (2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and**
- (3) any written notification from the state board of tax commissioners under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.**

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

SECTION 3. IC 6-1.1-17-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 6. (a) The county board of tax adjustment shall review the budget, tax rate, and tax levy of each political subdivision filed with the county auditor under section 5 or ~~5.1~~ **5.6** of this chapter. The board shall revise or reduce, but not increase, any budget, tax rate, or tax levy in order:

- (1) to limit the tax rate to the maximum amount permitted under IC 6-1.1-18; and
- (2) to limit the budget to the amount of revenue to be available in the ensuing budget year for the political subdivision.

(b) The county board of tax adjustment shall make a revision or reduction in a political subdivision's budget only with respect to the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts.

(c) When the county board of tax adjustment makes a revision or reduction in a budget, tax rate, or tax levy, it shall file with the county auditor a written order which indicates the action taken. If the board reduces the budget, it shall also indicate the reason for the reduction in the order. The chairman of the county board shall sign the order.

SECTION 4. IC 6-1.1-17-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 7. If the boundaries of a political subdivision cross one (1) or more county lines, the budget, tax levy, and tax rate fixed by the political subdivision shall be filed with the county auditor of each affected county in the manner prescribed in section 5 or ~~5.1~~ **5.6** of this chapter. The board of tax adjustment of the county which contains the largest portion of the value of property taxable by the political subdivision, as determined from the abstracts of taxable values last filed with the auditor of state, has jurisdiction over the budget, tax rate, and tax levy to the same extent as if the property taxable by the political subdivision were wholly within the county. The secretary of the county board of tax adjustment shall notify the county auditor of each affected county of the action of the board. Appeals from actions of the county board of tax adjustment may

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be initiated in any affected county.

SECTION 5. IC 21-2-11.5-3.1, AS AMENDED BY SEA 174-2001, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 3.1. (a) **This subsection does not apply to a school corporation located in a city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000).** Before a governing body may collect property taxes for the school bus replacement fund in a particular calendar year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year:

- (1) conduct a public hearing on; and
- (2) pass a resolution to adopt;

a plan under this section.

(b) **This subsection applies only to a school corporation located in a city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000).** Before the governing body of the school corporation may collect property taxes for the school transportation fund's school bus replacement account in a particular calendar year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year:

- (1) conduct a public hearing on; and
- (2) pass a resolution to adopt;

a plan under this section.

(c) The state board of tax commissioners shall prescribe the format of the plan. A plan must apply to at least the ten (10) budget years immediately following the year the plan is adopted. A plan must at least include the following:

- (1) An estimate for each year to which it applies of the nature and amount of proposed expenditures from the transportation fund's school bus replacement fund.
- (2) A presumption that the minimum useful life of a school bus is not less than ten (10) years.
- (3) An identification of:
 - (A) the source of all revenue to be dedicated to the proposed expenditures in the upcoming budget year; and
 - (B) the amount of property taxes to be collected in that year and the unexpended balance to be retained in the fund for expenditures proposed for a later year.
- (4) If the school corporation is seeking to:
 - (A) acquire; or
 - (B) contract for transportation services that will provide;

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additional school buses or school buses with a larger seating capacity as compared to the number and type of school buses from the prior school year, evidence of a demand for increased transportation services within the school corporation. Clause (B) does not apply if contracted transportation services are not paid from the school bus replacement fund.

(5) If the school corporation is seeking to:

(A) replace an existing school bus earlier than ten (10) years after the existing school bus was originally acquired; or

(B) require a contractor to replace a school bus;

evidence that the need exists for the replacement of the school bus. Clause (B) does not apply if contracted transportation services are not paid from the school bus replacement fund.

(6) Evidence that the school corporation that seeks to acquire additional school buses under this section is acquiring or contracting for the school buses only for the purposes specified in subdivision (4) or for replacement purposes.

~~(c)~~ (d) After reviewing the plan, the state board of tax commissioners shall certify its approval, disapproval, or modification of the plan to the governing body and the auditor of the county. The state board of tax commissioners may seek the recommendation of the school property tax control board with respect to this determination. The action of the state board of tax commissioners with respect to the plan is final.

~~(d)~~ (e) The state board of tax commissioners may approve appropriations from the transportation fund's school bus replacement fund only if the appropriations conform to a plan that has been adopted in compliance with this section.

~~(e)~~ (f) A governing body may amend a plan adopted under this section. When an amendment to a plan is required, the governing body must declare the nature of and the need for the amendment and must show cause as to why the original plan no longer meets the transportation needs of the school corporation. The governing body must then conduct a public hearing on and pass a resolution to adopt the amendment to the plan. The plan, as proposed to be amended, must comply with the requirements for a plan under subsection ~~(b)~~: (c). This amendment to the plan is not subject to the ~~deadline~~ **deadlines** for adoption described in subsection (a) **or (b)**. However, the amendment to the plan must be submitted to the state board of tax commissioners for its consideration and is subject to approval, disapproval, or modification in accordance with the procedures for adopting a plan set forth in this section.

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(f) (g) If a public hearing is scheduled under this section, the governing body shall publish a notice of the public hearing and the proposed plan or amendment to the plan in accordance with IC 5-3-1-2(b).

SECTION 6. IC 21-2-15-5, AS AMENDED BY P.L.96-2000, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 5. (a) **This subsection does not apply to a school corporation that is located in a city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000).** Before a governing body may collect property taxes for a capital projects fund in a particular year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year, hold a public hearing on a proposed plan and then pass a resolution to adopt a plan.

(b) **This subsection applies only to a school corporation that is located in a city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000). Before the governing body of the school corporation may collect property taxes for a capital projects fund in a particular year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year, hold a public hearing on a proposed plan and then pass a resolution to adopt a plan.**

(c) The state board of tax commissioners shall prescribe the format of the plan. A plan must apply to at least the three (3) years immediately following the year the plan is adopted. A plan must estimate for each year to which it applies the nature and amount of proposed expenditures from the capital projects fund. A plan must estimate:

- (1) the source of all revenue to be dedicated to the proposed expenditures in the upcoming calendar year; and
- (2) the amount of property taxes to be collected in that year and retained in the fund for expenditures proposed for a later year.

(e) (d) If a hearing is scheduled under subsection (a) **or (b)**, the governing body shall publish the proposed plan and a notice of the hearing in accordance with IC 5-3-1-2(b).

SECTION 7. [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]

(a) **The initial school year budget adopted by a school corporation located in a city having a population of more than ninety thousand (90,000) but less than one hundred thousand (100,000) under IC 6-1.1-17-5.6, as added by this act, and fixed by the state board of tax commissioners under this act is for the period beginning July 1, 2002, through June 30, 2003. The first six (6) months of the**

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initial budget for the school corporation must be consistent with the last six (6) months of the budget fixed by the state board of tax commissioners for calendar year 2002 under the procedures effective in 2001.

(b) This SECTION expires July 1, 2003.

SECTION 8. An emergency is declared for this act.

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Approved: _____

Governor of the State of Indiana

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HEA 1096 — Concur+

